

# HIGHWAYS AGENCY FRAMEWORK DOCUMENT

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# Foreword by Secretary of State for Transport

**Rt Hon Patrick McLoughlin MP, Secretary of State for Transport**

1. Road transport is important to supporting the economic and social wellbeing of the nation, and the Strategic Road Network is a vital national infrastructure asset – for movement of freight, for business, for access to ports and airports, for access to work and of course for travelling with friends, family and for leisure. The Highways Agency is charged with operating, maintaining and improving that network, and with doing so in a way that meets all users' needs and that supports wider government policies.
2. Recognising the importance of this network, the Government has embarked on a programme of reform of the road network and how it is managed. In May 2012 my predecessor announced the first stage of that reform programme:
  - a) Preparation of a long term strategy and outcome performance specification – setting out the objectives for the Highways Agency;
  - b) A stronger consumer focus to ensure that the voice of the road user is listened to and championed;
  - c) A stronger approach to planning through preparation of route strategies; and
  - d) A smarter financial relationship with Government
3. Further stages of the roads reform programme are under consideration with the objective of making progress towards a better performing strategic road network. One that has a clear strategic purpose, transparent expectations on performance, locally grounded investment plans and a real consumer focussed culture.
4. This framework document sets out the basis of the relationship between the Highways Agency and my Department, and has been updated to enable the ambition set out in that first stage of reform. I look forward to seeing the Agency rise to the challenge that this programme presents, and to the Department becoming a stronger sponsor to the Agency.

## **Introduction**

5. This framework document sets out the accountability and key relationships between the Highways Agency and the Department for Transport, and describes the supporting governance arrangements.

## **Roles and responsibilities of the Highways Agency**

6. The Highways Agency is responsible for operating, maintaining and improving England's strategic road network. The network is a significant national asset and key to promoting the economic growth of the UK with approximately one-third of all traffic and two-thirds of all large goods vehicle traffic using the network each day.
7. In fulfilling this role, the Agency will take into account wider government policy including economic, housing, health, environmental and welfare priorities.

8. England's strategic road network comprises approximately 4,300 miles of motorways and all purpose trunk roads. It is managed by 3600 directly employed staff based at eight offices, including 1800 traffic management personnel working across other sites, including one national traffic operations centre, seven regional control centres, and 33 outstations.
9. The Highways Agency:
  - Operates the strategic road network and actively manages traffic, with the objective of reducing the number and duration of incidents on the network, and improving the reliability and safety of journeys;
  - Manages the infrastructure assets, with a programme of maintenance and renewal that keeps the network open for traffic and seeks to keep the network in a steady state condition at the optimum whole life cost;
  - Delivers a programme of small and large road improvements targeted at increasing road capacity, reducing congestion and improving safety;
  - Prepares and maintains strategic plans for the network on a route by route basis that incorporate national transport priorities, local and regional priorities, user needs and asset maintenance priorities into a consistent asset management plan; and
  - Seeks the views of road users and local communities, and incorporates their priorities into its business plans

### **The role of the Department for Transport**

10. The Department for Transport is both sponsor and client of the Highways Agency. As client, the Department sets out what it wants the Agency to deliver in the form of a roads strategy and a specification for the strategic roads network. As sponsor the Department supports and challenges the Agency to deliver the Department's requirements effectively and efficiently, and secures clarity from ministers and other Government departments on wider government priorities.
11. The Highways Agency and the Department for Transport work collaboratively. The Highways Agency contributes to achieving the Department's objectives as set out in its Corporate Plan and leads directly on five of the Department's performance indicators set out in the Highways Agency's business plan.

### **Governance and accountability**

12. This section sets out the high level governance relationship between the Department and the Agency.

#### **Secretary of State and Ministers**

13. The Secretary of State is responsible for the policy framework within which the Agency operates, and for the supporting performance specification that sets out the criteria against which the Agency's performance will be measured.
14. The Secretary of State is accountable to Parliament for the Agency and will:
  - approve the Agency's annual business plan and annual report and accounts
  - agree the level of financial resources to be made available to the Agency

- approve changes to the Agency's programmes and budgets as appropriate
  - agree the appointment of the Non-executive Chairman; in compliance with The Commissioner for Public Appointments '[Code of Practice for Ministerial Appointments to Public Bodies](#)';
  - appoint the Chief Executive following a recruitment process by open competition, in compliance with [Cabinet Office guidance](#) 'Executive Agencies: A Guide for Departments';
  - determine which individual major road enhancement schemes will be included in the programme, reflecting the Agency's recommendations and approving at the relevant decision points.
15. The Secretary of State will expect to hold face-to-face meetings biannually with the Chairman and the Chief Executive to discuss the Government's priorities for the Agency and its performance in meeting its objectives. Ministers will hold regular meetings with the Chief Executive to discuss the Agency's performance, and to agree the Agency's approach to issues and incidents with a high public or media profile. The Chief Executive will also be available to brief the Secretary of State and Ministers on any matters relating to operation, development and funding the strategic road network.

### **Permanent Secretary – Principal Accounting Officer**

16. The Permanent Secretary is the Department's Principal Accounting Officer and is responsible for the management of the Department including its executive agencies.
17. The Principal Accounting Officer is responsible for appointment of the Chief Executive as Agency Accounting Officer.
18. The Chief Executive provides assurance to the Permanent Secretary that the Agency has adequate financial management and control systems and procedures in place to promote the efficient and economic conduct of business, management of risk and to safeguard financial propriety and regularity.

### **Roads Traffic and Local Group Director General – Sponsor**

19. The Director General acts as the Highways Agency Sponsor, advising Ministers on strategy, policy delivery, business planning and capital investment decisions for the Agency. The Director General, supported by the DfT finance and policy teams, challenges and supports the Chief Executive in the delivery of business plan and policy objectives.

### **Highways Agency Non-Executive Chairman**

20. The Non-Executive Chairman is responsible for providing external advice and expertise with independence of thought to inform the decision making process of the Highways Agency Board. The Chair will meet with the Permanent Secretary and the Chief Executive of the Highways Agency, to review performance and evaluate arrangements in the Highways Agency. The role of the non-executive chair is to:

- chair Highways Agency Board meetings
- on behalf of the Secretary of State hold the Chief Executive to account
- advise and support the Chief Executive

### **Highways Agency Chief Executive – Accounting Officer**

21. The Chief Executive of the Agency is responsible for the leadership, management and operation of the Agency. This includes ensuring maintenance of the asset, traffic performance, safety, innovation and delivering against the key performance measures set out in the Agency's Business Plan, agreed by Ministers and the Department. The Chief Executive retains a standing right of access to the Minister.
22. As the Agency's Accounting Officer, the Chief Executive undertakes the financial responsibilities and provides assurance that the Agency's funds are used for the purposes intended by Parliament, are properly accounted for, and that the Agency has in place a proper system of internal control. Assurance is published in the Governance Statement which is reviewed by the National Audit Office. The Chief Executive is responsible for ensuring that:
  - proper procedures are published and followed for securing the regularity and propriety of expenditure of the public funds allocated to the Agency and for achieving value for money;
  - the requirements of HM Treasury 'Managing Public Money' and Cabinet Office guidance, including on governance and risk management, are met;
  - any recommendations accepted by Government from the National Audit Office, Public Accounts Committee, or other Parliamentary Select Committees are put into effect.

### **Parliamentary business**

23. The Chief Executive is accountable to Parliament and may be invited to appear before the Public Accounts Committee to account for the discharge of responsibilities falling to the Chief Executive under the terms of this Framework Document. The Chief Executive may also be invited to represent and answer for the Secretary of State at hearings of the Transport Select Committee and other Parliamentary committees when operational matters concerning the Agency are discussed. The Chief Executive is responsible for observing any general guidance issued by HM Treasury and the Cabinet Office.
24. The Chief Executive will respond directly to Members of Parliament who have questions on operational matters and will advise the Secretary of State directly on issues delegated to the Agency and which are the subject of Ministerial correspondence and written Parliamentary Questions. Correspondence from members of the public will be dealt with by Highways Agency officials following civil service practice and the Agency will operate in accordance with a published complaints procedure that is clear and accessible to all.

## Highways Agency Board

25. The Highways Agency Board comprises the Chairman, Chief Executive, Executive directors and at least two Non Executive Directors. The Board assists the Chief Executive in meeting the responsibilities placed upon him by the Secretary of State. In managing the composition of the Board, the Agency follows the guidance in "HM Treasury Corporate governance in central government departments: Code of Good practice". Board members and Non Executive Directors are appointed by the Chief Executive, in agreement with the Permanent Secretary. The objectives of the Agency Board are to ensure that the Agency is organised, resourced and has a clear brief to deliver its role, and in particular it will regularly review and take decisions on:
- a) Strategy and planning for the strategic road network, including options for inclusion in network plans and for consideration by Government;
  - b) Development of the Agency to improve corporate performance;
  - c) Implementation of Government initiatives;
  - d) performance of the Agency in managing the road asset, and in management of traffic; and
  - e) significant commercial and investment policies and decisions.
26. The Highways Agency Board will be supported by subcommittees necessary to ensure good governance and business management, including an Audit Committee and a Senior Appointments Committee.
27. The Chief Executive may operate an Executive Committee comprising executive directors and other senior staff to provide operational decision making and day to day leadership of the Agency.

## Department for Transport

28. The Department for Transport Sponsor (Director General, Roads Traffic and Local) convenes a number of groups within DfT to support him and ministers in fulfilling their sponsorship function. The Highways Agency supports the sponsor by attending meetings of these groups when requested, providing performance and other operational information, and preparing background briefing to inform internal departmental decision making processes. These groups currently include:
- Roads Board, chaired by the Director, Roads Traffic and Local, addresses strategy and policy issues and monitors Highways Agency operational and financial performance issues, as part of the sponsor support and challenge function.
  - Highways Investment Board, chaired by the Director, Roads Traffic and Local, is the DfT Investment Decision Committee for all investment projects estimated to cost over £50 million commissioned by DfT and to be delivered by the Agency.
  - Sponsorship Group, chaired by the Director of Roads monitors the performance of the strategic road network and acts as a forum for the development of performance measures.

## **Performance Specification and Business plan**

29. The Department for Transport leads on the performance specification. The Highways Agency will produce an annual business plan outlining the business priorities for the coming financial year, demonstrating how it will deliver the Government's performance specification for the strategic roads network within the agreed funding framework. It will include the key performance measures against which performance is to be assessed and indicative budgets for the year/s ahead. The performance measures are a mixture of Department for Transport input/impact indicators, together with the measures contained in the performance specification and any additional measures the Agency deems appropriate to manage business performance. The annual business plan will contain provisional plans for future years.

## **Performance Management and Reporting**

30. The Agency's performance will be monitored against the suite of measures and indicators published in the Agency's annual business plan and Government's performance specification
31. The Chief Executive is responsible for reporting to the Department in-year as follows:
- regular provision of financial and operational performance information, including current risks to delivery, in an agreed format
  - reports to Ministers on a regular basis covering agreed topics
  - reports to the Principal Accounting Officer on any issue relating to financial control or that raises significant reputational risks for the Agency or the Department
  - Annual report and accounts, audited by National Audit Office and prepared for laying before Parliament
  - Additional reports as required to assist the Department prepare its consolidated accounts
32. A list of performance and financial reports the Highways Agency provides to the Department can be found in Annex A

## **Risk**

33. The Chief Executive is responsible for the Agency's risk management policies, ensuring that these are consistent with the Department for Transport's risk management policy.

## **Departmental support services**

34. The Department for Transport shall provide professional legal, Human Resources and a shared services function to meet the Agency's needs. These will be supported by service level agreements setting out the scope and quality of service to be provided.

## **Supporting wider Government**

35. The Agency will support wider Government priorities to reform public service provision in line with efficiency programmes established by Central Government.

## **Financial management**

36. The Agency is subject to public expenditure controls, including Supply Estimates and the Government public expenditure planning arrangements in force. Its expenditure forms part of the Departmental Expenditure Limit, administration cost limit and Annually Managed Expenditure. Decisions on allocations to the Agency rest with the Secretary of State.
37. The Agency will provide information on its income and expenditure to the Group Finance Director for consolidation in the Departmental Resource Accounts and for planning, monitoring and budgeting purposes.
38. The Accounting Officer will comply with the guidance in the current edition of HMT's "Managing Public Money", especially in regard to the costs imposed on business. It will ensure that the calculation of costs and fees is transparent and accessible to those who pay, and that the costs of effective regulatory activity are demonstrably as efficient and low as possible.

## **Budget**

39. The Secretary of State will consult with the Chief Executive and then set the budget for the Agency consistent with the decisions taken through Spending Reviews. The Chief Executive has responsibility to deliver the services of the Agency within the financial parameters specified by the delegations given by the Principal Accounting Officer. The indicative budgets for 2013/14 to 2014/15 are in Annex B.

## **Delegations**

40. The Department's expenditure is administered under formal delegations issued by HM Treasury. The Chief Executive has the delegated authority to spend up to the amounts allocated to the Agency each year by the Department in a formal allocations letter. The delegation may be varied in year after consultation with the Chief Executive.
41. The Chief Executive has delegated freedom to reallocate resources subject to the limits, rules and guidance set out in the annual allocation letter from the Department. The allocation letter will include details on losses and special payments delegations and limits.
42. The Chief Executive may sub-delegate powers in writing to any named Agency staff. Delegated authorities within the Agency will be clearly defined in a manual or equivalent instruction and will be consistent with any governance and regulatory requirements set by HM Treasury or the Department. As accounting officer, the Chief Executive has contractual delegations as set by the Permanent Secretary.



43. The Agency's delegated authorities in respect to Losses, Gifts and Special Payments are set out in Annex C. The Agency shall obtain the Department's prior written approval before:
- i) entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the Agency's annual budget as approved by the Department;
  - ii) incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
  - iii) making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
  - iv) making any change of policy or practice which has wider substantive financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
  - v) carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.
44. The Agency shall comply with the specific controls on spending introduced by the Cabinet Office to ensure the efficient and effective use of taxpayers' money. The main control areas include spending on advertising, marketing and communications, ICT, and consultancy.
45. The Agency follows the arrangements for the approval of schemes set out in the Department's Investment Appraisal Framework (IAF). The Agency's Investment Control Framework (ICF) sets out in a single overarching Framework, principles and procedures for investment decisions, and the control of income and expenditure in the Agency. The ICF integrates fully with the IAF.

### **Annual report and Accounts**

46. The Highways Agency is responsible for producing audited Annual Report and Accounts which the Chief Executive signs. These will be prepared in accordance with the relevant Cabinet Office and Treasury guidance, and scrutinised by the Highways Agency Board and Audit Committee. The draft annual report will be considered by the sponsor and submitted to the Secretary of State. The Annual Report and Accounts will be published and submitted to Parliament under section seven of the Government Resources and Accounts Act 2000, before the summer recess each year.

### **Internal and external audit requirements**

#### **Internal audit**

47. The Chief Executive, as the Agency's Accounting Officer is responsible for maintaining an internal audit service. This service will operate in accordance with the objectives, standards, scope and practices set out in HM Treasury guidance and manuals. The internal audit service is responsible for providing the Agency's Accounting Officer with an objective evaluation of the overall adequacy and effectiveness of the Agency's framework of governance, risk management and control. The opinion of the Agency's Head of Internal Audit is a key element of the framework of assurance that the Agency's Accounting Officer needs to inform the completion of the annual Governance Statement. The Highways Agency Audit Committee is a sub committee of the Agency Board and is responsible for providing assurance that the Agency's system of internal control is operating

effectively. It reviews the Board's assessment of corporate risk, considering wider Departmental risk as appropriate. The Highways Agency internal audit function will operate within the DfT group operating model, and the Head of Internal Audit will maintain a professional reporting line to the DfT Group Head of Internal Audit.

#### External audit

48. External audit will be undertaken by the Comptroller and Auditor General (C&AG), who will have access to any books and records of the Agency including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the Agency. T

The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Agency has used its resources in discharging its functions.

49. The Department has the right of access to all Agency records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

### **Review of Framework Document**

50. This framework document will be reviewed and revised at such time as there is a material change in the Agency status, a change in Government, a substantive change in Government policy, or in any case after not more than 3 years from publication.

## Highways Agency Reports to DfT (C)

Report	Content	Frequency
Corporate Performance Report (HAB-approved)	HA Business Plan performance and reporting against the Performance Specification	Monthly
Single Source Spreadsheet (SSS)	Finance, Headcount, sickness, procurement, KPIs	Monthly
QDS	Various efficiency metrics incl finance, headcount, procurement, KPIs	Quarterly
Greening Government Commitment return	Sustainability data	Quarterly
Standalone Monthly CAF reports	Technical advisor and consultancy approvals and spend	Monthly
NGSS	HR, payroll, finance and procurement costs	Quarterly
SR10 DfT Milestone Tracker	SR10 progress	Quarterly
COINs Database	Monthly outturn data using HM Treasury codes	Monthly
Cash Forecasting	Cash use and forecast	Monthly
Oracle Extract	For use in 'Spend Guardian'.	Monthly
BACS	Cash spend	Daily
PPI Performance	PPI information	Monthly
Marketing and Communications Exemption Report	Information on the exemptions that we have approved and submitted to DfT Communications	Monthly
Highways Agency's Improvement Plan	Covers a series of actions related to our role in the planning process (planning applications etc.)	Twice a year
Current Live Contracts Update	Provides information on any new contracts on a monthly basis.	Monthly
British Railway Board (Residuary) Burdensome Estate Management Transfer Highlight Report	Providing an summary/highlight/update on progress to transfer the Burdensome Estate from BRB(R) to the Agency	Monthly
Planning Performance Report	Provides a summary of national planning activity	Monthly

## 2013/14 Business Plan: Highways Agency Indicative Budgets 2013/14 to 2014/15

£m	Financial Year (April to March)					
	2013/14			2014/15		
	DEL	AME	Total	DEL	AME	Total
<b>Programme Resource</b>						
Roads PFI Service Payments	459		459	421		421
Network Management (incl. programme staff)	79		79	82		82
Traffic Officer Service (incl. programme staff)	79		79	66		66
Technology PFI Service Payments	64		64	71		71
Technology Projects	13		13	10		10
Maintenance	274		274	273		273
Smaller Schemes and R&D	51		51	38		38
<b>Sub-total</b>	<b>1,019</b>		<b>1,019</b>	<b>962</b>		<b>962</b>
Other (other income / utilisation of provisions)	(11)	(5)	(16)	(6)	(9)	(15)
<b>Total Programme excl. depreciation</b>	<b>1,008</b>	<b>(5)</b>	<b>1,003</b>	<b>956</b>	<b>(9)</b>	<b>947</b>
Depreciation/impairment	867		867	864		864
Asset Writedowns & Provisions (other non cash)		973	973		934	934
<b>Total Programme incl. depreciation (&amp; other non cash)</b>	<b>1,875</b>	<b>968</b>	<b>2,844</b>	<b>1,820</b>	<b>925</b>	<b>2,745</b>
<b>Administration excl. depreciation</b>	<b>65</b>	<b>1</b>	<b>66</b>	<b>63</b>	<b>(0)</b>	<b>63</b>
Admin Depreciation	2		2	2		2
<b>Total Administration incl. depreciation</b>	<b>67</b>	<b>1</b>	<b>68</b>	<b>65</b>	<b>(0)</b>	<b>65</b>
<b>TOTAL Resource excl. depreciation</b>	<b>1,074</b>	<b>(4)</b>	<b>1,069</b>	<b>1,019</b>	<b>(9)</b>	<b>1,010</b>
<b>Depreciation &amp; Asset Writedowns &amp; Provisions</b>	<b>869</b>	<b>973</b>	<b>1,842</b>	<b>866</b>	<b>934</b>	<b>1,800</b>
<b>TOTAL Resource incl. depreciation (&amp; other non cash)</b>	<b>1,943</b>	<b>969</b>	<b>2,912</b>	<b>1,885</b>	<b>925</b>	<b>2,810</b>
<b>Capital</b>						
Major Schemes	585	25	610	535	15	550
Network Management	14		14	15		15
Traffic Officer Service	1		1	6		6
Technology Improvements	61		61	25		25
Maintenance	399		399	390		390
Smaller Schemes	43		43	70		70
Capitalised Staff and Office Estates costs	29		29	26		26
Capitalised Provisions (Other incl provision utilisation)	62	(25)	37	40	(15)	25
<b>Total Capital (excl Autumn Statement Announcements)</b>	<b>1,193</b>	<b>0</b>	<b>1,193</b>	<b>1,107</b>	<b>0</b>	<b>1,107</b>
Major Schemes - Growth Review	190		190	321		321
Pinch Point Programme	98		98	121		121
<b>Autumn Statement Investment Nov' 2011</b>	<b>287</b>	<b>-</b>	<b>287</b>	<b>442</b>	<b>-</b>	<b>442</b>
Major Schemes - Growth Review (and acceleration)	126		126	269		269
Maintenance	76		76	41		41
Pinch Point Programme	25		25	75		75
<b>Autumn Statement Investment Dec' 2012</b>	<b>227</b>	<b>-</b>	<b>227</b>	<b>385</b>	<b>-</b>	<b>385</b>
<b>Total Capital (incl Autumn Statements investment)</b>	<b>1,708</b>	<b>0</b>	<b>1,708</b>	<b>1,933</b>	<b>0</b>	<b>1,933</b>
<b>Total Budget excl. depreciation</b>	<b>2,781</b>	<b>(4)</b>	<b>2,777</b>	<b>2,952</b>	<b>(9)</b>	<b>2,943</b>
<b>Total Budget incl. depreciation (&amp; other non cash)</b>	<b>3,650</b>	<b>969</b>	<b>4,619</b>	<b>3,818</b>	<b>925</b>	<b>4,743</b>

**Notes**

Amounts are net (i.e. include allowable receipts) and indicative between areas of spend which may change.

Amounts displayed are rounded to millions. Rounding differences may arise as underlying amounts are more detailed.

The additional investment announced in the November 2011 and December 2012 Autumn Statements is shown separately. Autumn Statement 2011: included the six new major scheme starts, acceleration of two SR10 major schemes and smaller projects to ease congestion and improve pinch points on our network. Autumn Statement 2012: included three major road schemes and the naming of four major road schemes to pilot accelerated delivery; £117m for Maintenance work; and further funding for pinch point schemes aimed at easing congestion on the network.

**Glossary**

**DEL:** Departmental Expenditure Limit.

**AME:** Annually Managed Expenditure (non cash items e.g. provisions and write-down of assets).

**Resource:** Operating and maintaining the existing network.

**Capital:** Improving and enhancing the network through investment.

**Administration:** Activities required to support all programme delivery.

## Losses, Gifts and Special Payments: Delegations for Agencies, Trading Funds and NDPBs

Cat.	Description	Amount
<b>A</b>	<b>Losses</b>	
(i)	Cash losses, physical losses of cash and equivalents	All: £500,000*
(ii)	Bookkeeping losses	All: £500,000*
(iii)	Exchange rate fluctuations	All: £100,000*
(iv)	Losses of pay, allowances and superannuation benefits arising from overpayments, unauthorised issues or other causes (short of proven fraud)	All: £50,000*
(v)	Losses arising from overpayments of social security benefits, grants, subsidies etc arising from miscalculation, misinterpretation of Acts, regulations or scheme rules or the full facts not being known	All: £20,000*
(vi)	Losses arising from failure to make adequate charges for the use of public property or services	No delegation, except for DVLA £25,000* for losses due to sub-letting to non-governmental bodies at below market value
<b>B</b>	<b>Losses of accountable stores</b>	
(i)	Because of fraud	All: £500,000*
(ii)	From other causes	All: £500,000*
<b>C</b>	<b>Fruitless payments and constructive losses</b>	
	Fruitless payments and constructive losses	All: £500,000*
<b>D</b>	<b>Claims waived and abandoned</b>	
	Claims waived or abandoned	HA only: £500,000* All others: £25,000
<b>E</b>	<b>Special Payments</b>	
(i)	Extra-contractual payments	HA only: £500,000* All others: £100,000
(ii)	Extra-statutory and extra-regularity payments	HA only: £500,000* All others: £15,000
(iii)	Compensation payments	HA only: £500,000* All others: <ul style="list-style-type: none"> <li>• Personal injury £25,000</li> <li>• Other £15,000</li> </ul>

Cat.	Description	Amount
(iv)	Special severance payments	No delegation. Prior approval from HMT is always required <sup>1</sup> .
(v)	Ex gratia payments	HA only: £500,000* All others: £15,000
<b>MISCELLANEOUS</b>		
Advance payments	No delegation, except for HA <sup>2</sup> only: <ul style="list-style-type: none"> <li>• £3,000,000 under New Roads &amp; Street Works Act, which secure an 18% discount;</li> <li>• £500,000 to statutory undertakers that do not secure a discount.</li> </ul>	
Gifts and donations	No delegation, except for DVLA <sup>3</sup> only: <ul style="list-style-type: none"> <li>• VRO of the Year: £1,000;</li> <li>• Obsolete furniture and equipment £1,000 p.a. in total;</li> <li>• Gifts to visiting dignitaries: £500 p.a. in total;</li> <li>• Donation to West Wales Association of Communication Centres: £500 p.a. in total; and</li> <li>• Prizes associated with publicity: £1,000 p.a. in total (this delegation was granted by HMT direct to DVLA on 28/3/2003).</li> </ul>	

**Note:**

\* indicates the amount of the DfT(C) delegation for this category of loss or special payment.

<sup>1</sup> Treasury have advised that special severance payments are novel and contentious and, as such, are subject to their prior approval. This includes any which are in excess of or outside of statutory or contractual entitlements, including, for instance, out of court settlements.

<sup>2</sup> The Highways Agency requires the 'Advance Payments' element of Miscellaneous to remain, for operational reasons. The Highways Agency relies on utility companies to complete certain statutory work (per Street Works Act). The utility companies will not undertake work unless paid in advance. Payment in advance allows the Highways Agency to enjoy a 18% discount.

<sup>3</sup> Treasury approval is needed for all gifts valued at more than £250,000, and any other gifts not covered by a department's delegated authorities (Managing Public Money A.4.12.3) For this reason DVLA has requested that these 'Gifts and Donations' are included within the letter of delegation.